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Federal Communications Commission
Office of the Secretary

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

Washington, D. C. 20554

In the Matter of The Telephone Consumer Protection Act of 1991

CC Docket No. 92 90

TO: THE COMMISSION

COMMENTS

Independent Telecommunications Network, Inc. ("ITN") hereby respectfully submits it Comments to the Notice of Proposed Rulemaking ("Notice") issued in the matter of the Telephone Consumer Protection Act of 1991 (the "Act").

I. BACKGROUND

In this proceeding, the Commission has proposed general implementing regulations, including exemptions to the applicability of the Act's prohibited uses and technical requirements applicable to "auto dialers" and facsimile machines. In addition, the Commission has addressed issues regarding the protection of privacy rights from unsolicited advertising over the telephone network. The Commission has requested comments on its proposed rules and on the technical capability of auto dialers to avoid calling prohibited telephone numbers.

II. INTEREST OF ITN

ITN is engaged in the business of providing SS7 network

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services to telephone companies.[1] ITN offers its SS7 network services to independent telephone companies ("ITC's") and various local exchange carriers ("LECs") and inter-exchange carriers, enabling such companies to access other SS7 service points connected to the ITN SS7 network. ITN is owned by a cross-section of companies in the independent telephone industry.

III. THE EXISTING NATIONAL LINE INFORMATION DATABASE ("LIDB") SYSTEM IS AN AVAILABLE, TECHNICALLY ADVANCED PLATFORM THROUGH WHICH THE OBJECTIVES OF THE ACT CAN BE ACHIEVED.

The Commission has solicited comment on regulatory alternatives for protecting residential telephone subscribers' privacy rights to avoid receiving telephone solicitations to which they object. There is in place today an operating national and international system of decentralized databases containing line information on every residential telephone subscriber (and many business subscribers) in the North American Numbering Plan. This national LIDB system, which employs SS7 signaling technology, is currently used for various calling card validation and billed number screening functions.

Use of the national LIDB system for pre-screening of both live operator and auto-dialed commercial telephone solicitations could offer a less restrictive alternative than the regulations proposed by the Commission. The Commission could create an exception not only for live operator solicitations but also

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[1] These services include Alternate Billing Service, LIDB Access Service, SS7 "hubbing" or Query Transport Service, Trunk Signaling Service, Customized Fraud Control Service, and Detailed Message Accounting.

for auto-dialed calls where the LIDB blocking system is available.

The privacy concerns extant with any national database system where paper lists or computer screen displays of blocking customers are generated would be eliminated with use of the national LIDB system. Using the LIDB system, each telemarketing company ("Telemarketer") would be required to pre-screen each customer's line number (prior to making a telephone solicitation) against a line information database to determine whether that customer accepts or rejects commercial telephone solicitations. The only information received by the Telemarketer is the response to the query indicating acceptance or rejection of this category of calls. The Telemarketer would be prohibited from generating any computer or paper list based on this response.

The data stored on the LIDB system is updated on a daily basis by the local exchange carriers and other database providers who maintain the LIDB's. Including the data on customer acceptance or rejection of commercial solicitations in the LIDB System, and updating it as frequently as daily, would require additional data entry by the LIDB operators, but little, if any, changes in standard LIDB provisioning and maintenance procedures.

IV. THE PRE-SCREENING OF COMMERCIAL SOLICITATIONS CAN BE EASILY ACCOMPLISHED USING THE EXISTING SS7 INFRASTRUCTURE AT NO COST TO THE TAXPAYERS OR CONSUMERS, AND WITH MINIMAL IMPACT ON THE TELEMARKETING INDUSTRY.

A. USING THE EXISTING TECHNOLOGY.

The LIDBs currently in place contain "fields" which can be utilized to enter data regarding customer preferences

with respect to commercial telephone solicitations. As stated above, incorporating this information in the LIDB requires some minimal data entry by the LIDB operator, but little if any alteration of the existing LIDB software. No modification of the existing equipment deployment scheme by the network service provider LIDB operators would be required for this system, except to the extent that additional equipment may be necessary to satisfy capacity requirements.

The personal computer or other computer-based predictive or auto dialers used by the telemarketing industry typically have an X.25 protocol port running from the central processing unit. Links can be provisioned from these X.25 ports to an SS7 service provider's facilities.

Mechanically, the LIDB pre-screening process can be accomplished by either of two methods. If the Telemarketer wishes to screen its commercial telephone solicitations on a per-call basis, the Telemarketer's CPU sends an X.25 query to the SS7 service provider for pre-screening, prior to initiating each telephone solicitation. The SS7 service provider (using a protocol converter) converts the X.25 query to an SS7 query and then transmits the SS7 query through a Signal Transfer Point switch to the appropriate LIDB. The LIDB then transmits an accept or reject code which is returned by the SS7 service provider to the telemarketing centers' CPU. If an authorizing code is received, the call proceeds.

Alternatively, a customer "lead list" or a group of prospective customer line numbers can be "batch processed" by

the Telemarketer against the LIDBs. This simply requires that the Telemarketer's CPU transmit a group or "batch" of numbers to the SS7 service provider who then transmits the entire group of numbers to the appropriate LIDB for pre-screening. As with the "per-query" method of screening, an accept or reject message is received by the SS7 service provider with respect to each query, and these responses are returned by the SS7 service provider to the originating Telemarketer.

The existing LIDB system is ideally suited for this application. The Telemarketers' hardware and software may require some modification to implement this pre-screening process either on a per call basis or on a batch basis. In addition, the Telemarketer would need to provision X.25 links from its CPU to the SS7 service provider, or could access the system via dial-up procedures. (As discussed further below -- See Costs and Methods of Access).

A simple diagram of the network architecture employed for this system is contained on Exhibit 1.

B. THE SERVICE PROVIDING ENTITIES.

The entities providing this pre-screening of commercial solicitations would be the SS7 network service providers and the SS7 LIDB operators. The necessary infrastructure to provide this service is already deployed. The network inter-connections, the databases, and the basic contractual arrangements for query transport and validation are all currently in place. Utilizing the existing LIDB system offers the enormous advantage (over implementation of a new and distinct national database) of re-

quiring very little in the way of new capital expenditures or changes in the existing network architecture. While additional LIDB capacity may be required as a result of this application (depending on the volume of traffic over the system) this addition of new capacity would be part of the normal database expansion which the SS7 Network LIDB operators would need to accommodate as query volumes increase.

C. MINIMAL CAPITAL INVESTMENT REQUIRED.

As mentioned, the additional capital investment required in order to implement this national commercial solicitation pre-screening system would be minimal. Based on existing per query transport charges for SS7 transport and SS7 calling card validation, per query charges of approximately $.06 per query for transport and LIDB "access" could be anticipated. Any additional capacity required by either SS7 network service providers or LIDB operators would be capitalized by this query charge assessed to the telemarketing company. Assuming telemarketing call volume of 18-20 million calls per day[2], this would constitute approximately $400 million per year in pre-screening charges to the Telemarketers. This represents a cost of less than .1% of sales in this $435 billion industry.[3]

In all likelihood, however, the per query charge for this blocking application would be lower than the existing rate for card validation and billed number screening functions. The experience in the SS7 industry has been as query volumes increase

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[2] See discussion at p. 11 of Notice.

[3] Notice at p.10.

the per query charges diminish. Because the economics of scale from this additional application of the LIDB system would be substantial, the per query charges for all LIDB-based services are likely to go down, a substantial collateral benefit of use of the LIDB system for this function.

D. COSTS AND METHODS OF ACCESS.

As described above, the Telemarketers can access the system by provisioning X.25 links to an SS7 service provider who then converts these X.25 signals to the SS7 protocol. Deploying links of this type would probably cost approximately $10,000 per year for each Telemarketer. Utilizing the LIDB system would impose no additional costs on the consumer nor would it require that any tax dollars be used to subsidize the system. Utilizing the LIDB system would impose the costs on the cost-causer -- the Telemarketer who wishes to utilize the telephone system to conduct commercial solicitations of residential and other telephone customers.

E. FREQUENCY OF DATA UPDATING.

The LIDB information on pre-screening of telephone solicitations can be updated as frequently as desired. The LEC can periodically mail a request form to each of their telephone customers asking whether the telephone customer wishes to block commercial telephone solicitations. If no response is received, no data entry is required, and telephone solicitations can be allowed to proceed. If a blocking instruction is received, this data is entered in the LIDB, and all further commercial solicitation queries would receive a "reject" response from the LIDB.

Because the LIDB data is typically updated on a daily basis, implementing frequent updating of commercial solicitation data would not require a radical change in the current procedures.

In addition, the LIDB data "fields" could be adapted to accommodate time of day or other specific instructions with respect to acceptance of commercial solicitations.

F. ADVANTAGES OF THE LIDB SYSTEM FOR TELEMARKETERS AND CONSUMERS.

Use of the LIDB system should be a desirable regulatory alternative from the standpoint of the Telemarketer. By enabling the Commission to allow commercial solicitations to proceed (where LIDB blocking is in effect) for both live operator, and recorded solicitations, this system would preserve an enormous market for the Telemarketers while protecting the privacy rights of the individual customer. It would minimize the impact of these regulations on the telemarketing industry.

In contrast to the LIDB system, the Florida system discussed by the Commission in its Notice of Proposed Rulemaking not only imposes the cost on the consumer (as well as the Telemarketer), but it is also more invasive of the privacy rights of the consumer. Paper and computer generated lists are provided to the telemarketing industry. The LIDB system is a far more "confidential" system because it requires the Telemarketer to pre screen queries on a per call basis and prohibits a Telemarketer from generating any permanent lists containing the information on the pre-screening responses.

V. CONCLUSION.

For the foregoing reasons, ITN believes that the existing SS7 Network and LIDB infrastructure is ideally suited for use as a means for blocking unwanted commercial telephone solicitations. The consumer choice and privacy objectives of the Act can be best achieved by requiring the implementation of LIDB "blocking" on a nationwide basis.

The LIDB system is the most cost-effective and efficient means for protecting consumer privacy while preserving markets for the telemarketing industry because this system: (i) requires little if any change in the existing SS7 architecture; (ii) imposes minimal costs on the telemarketing industry while preserving its markets; (iii) avoids the creation of redundant databases containing line information on the same subscribers; (iv) maximizes the potential for expanding consumer choice because of the flexibility and adaptability of the LIDB system; and (v) can be implemented more quickly than any alternative system because the infrastructure is already in place.

Respectfully submitted,

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